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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	x	Chapter 11
In re:	:	
	:	Case No. 18-23538 (RDD)
SEARS HOLDING CORPORATION, <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors.	:	Re: Docket No. 1731
-----	x	Obj. Deadline: January 26, 2019 at 4:00 p.m.

**LIMITED OBJECTION OF EAST PENN MANUFACTURING CO.  
TO NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND  
ASSIGNMENT OF EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION**

East Penn Manufacturing Co. ("East Penn") asserts this Limited Objection (the "Objection") to the Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (the "Cure Amount Notice"; D.I. 1731). In support of the Objection, East Penn states as follows:

1. On October 15, 2018 (the "Petition Date"), Sears Holdings Corporation and certain of its affiliates, including Sears, Roebuck and Co. ("SRC"), Kmart Corporation ("Kmart"), and Sears Brands Management Corporation ("SBMC"), together with Sears Holding Corporation, SRC and Kmart, the "Initial Debtors", commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Subsequently,

three additional affiliates filed voluntary petitions on October 18, 2018, October 22, 2018 and January 7, 2019 (together with the Initial Debtors, the “Debtors”).

2. On November 1, 2018, the Debtors moved this Court for Approval of Global Bidding Procedures (the “Global Bidding Procedures Motion”; D.I. 429) to facilitate sale transactions of substantially all of the Debtors’ assets (the “Assets”), including the assumption and assignment of certain executory contracts.

3. On November 19, 2018, the Court entered the Order Approving Global Bidding Procedures and Granting Related Relief (the “Global Bidding Procedures Order”; D.I. 816), approving global bidding and sale procedures substantially in the form proposed by the Global Bidding Procedures Motion.

4. On January 14, 2019, the Debtors commenced an auction for a sale of the Assets, wherein the offer submitted by Transform Holdco LLC was determined to be the highest and best offer for the Assets.

5. On January 18, 2019, the Debtors filed the Cure Amount Notice. Attached to the Cure Amount Notice as Exhibit A is the Schedule of Cure Amounts (the “Cure Amount Schedule”), which lists proposed cure amounts (the “Proposed Cure Amount(s)”) in connection with the Debtors’ potential assumption or assumption and assignment of executory contracts.

6. The Cure Amount Schedule lists East Penn as a party to three agreements (the “East Penn Contracts”) that the Debtors assert are subject to potential assumption and assignment:

Counterparty Name	Contract Title	Proposed Cure Amount
East Penn Manufacturing Co., Inc.	KCD – East Penn Manufacturing Co. – Diehard Supply, Sales Agent, and Servicing	\$1,429,538

	Agreement	
East Penn Manufacturing Co., Inc.	Supply Chain – East Penn Manufacturing Co. Amendment 2016	\$0
East Penn Manufacturing Co.	License Agreement	\$0

The Cure Amount Schedule lists a Proposed Cure Amount of \$1,429,538 for the KCD – East Penn Manufacturing Co. – Diehard Supply, Sales Agent, and Servicing Agreement (the “Die-Hard Supply Agreement”), a Proposed Cure Amount of \$0 for the Supply Chain – East Penn Manufacturing Co. Amendment 2016 (the “Industrial Battery Supply Agreement”) and a Proposed Cure Amount of \$0 for the License Agreement.

7. East Penn objects to the Proposed Cure Amounts pertaining to the Die-Hard Supply Agreement and the Industrial Battery Supply Agreement. The correct cure amount under the Die-Hard Supply Agreement is \$1,140,151.98, not \$1,429,538, and the correct cure amount under the Industrial Battery Supply Agreement is \$414,230.22, not \$0.

8. The Cure Amount Notice does not require East Penn to assert any objections to the assumption and assignment of the East Penn Contracts other than as such objections relate to the Proposed Cure Amounts. East Penn reserves all rights to object to assumption and assignment of the East Penn Contracts, including objections based on whether such contracts are executory and objections based on the failure to provide adequate assurance of future performance pursuant to section 365(b)(1)(C).

WHEREFORE, East Penn respectfully requests that the cure amounts for the East Penn Contracts be set at the amounts stated herein, and that it be granted such other relief to which it may be entitled.

*[Signature Page Follows]*

Dated: New York, New York  
January 25, 2019

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**CERTIFICATE OF SERVICE**

Evan B. Coren certifies that he caused to be served a true and correct copy of the attached **Limited Objection To the Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction** via transmission of Notice of Electronic Filing generated by CM/ECF on all parties of record, and on the parties listed below as indicated.

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